2015
Annual Report

For the year ending December 31, 2015

ontario place

Ontario Place by the Numbers

Ontario Place business development statistics:

69 SITE RENTALS

19 MULTI-DAY EVENTS

16 THIRD PART EVENTS

10 SPORT AND RECREATION EVENTS

9 CHARITY AND COMMUNITY EVENTS

6 EVENTS OVER 1000 PEOPLE

7% INCREASE IN TOTAL GROSS REVENUE

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ontario place

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An Agency of the Government of Ontario
Ministry of Tourism, Culture and Sport

Chair's Message

On behalf of the Board of Directors and the management team of Ontario Place Corporation, we are pleased to present the operating results for the year ending December 31, 2015.

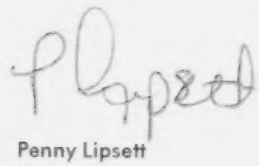
This is the third full year of operations following the government's 2012 announcement of revitalization and partial closure, and the Board and management recognized success on several fronts at Ontario Place.

2015 was the third year of operating with a smaller staff complement, necessitating adjustments to business processes and systems. The management team increased site events and revenues within staffing and resource limitations.

Also in 2015, the Board and staff continued to support the Ministry of Tourism, Culture and Sport future planning efforts for Ontario Place revitalization. Construction continued on the Urban Park and William G. Davis Trail and support and preparation for Revitalization continued site wide.

Going forward, the Board remains committed to upholding its responsibilities in governing ongoing operations, supporting Revitalization efforts and providing good stewardship for this public asset. I would like to acknowledge Barry Steinberg as a new addition to the Board during 2015.

On behalf of myself and my Board colleagues, I would like to express our thanks to all former and current management and staff members of Ontario Place for their dedication throughout the year and, to our business partners for their ongoing support. I am pleased to submit the Ontario Place annual report for the year ending December 31, 2015.



Penny Lipsett
Chair
Ontario Place Corporation

Corporate Governance

Ontario Place Corporation is an Operational Enterprise Agency of the Government of Ontario and is accountable to the Minister of Tourism, Culture and Sport. The legislated authority of Ontario Place Corporation is *The Ontario Place Corporation Act, R S O 1990, c 0 34*. A Memorandum of Understanding (MOU) between the Ministry and Ontario Place Corporation sets out the framework for accountability and the relationships between the General Manager and the Minister, the Chair, the Board, and the Deputy Minister of the Ministry.

As outlined in the *Ontario Place Corporation Act*, it is the duty of the Corporation to develop, control, manage, operate and maintain Ontario Place Corporation. The Board of Directors holds governance accountability, provides strategic direction to the Corporation and is responsible for the effective oversight of its management. Under *The Act*, the Board shall consist of no fewer than seven (7) and not more than thirteen (13) members, appointed by the Lieutenant Governor in Council. The Board shall have one member be a director of the Canadian National Exhibition Association.

2015 Board of Directors

Board Member	Term	Per Day Remuneration	Total in 2015
Penny Lipsett Chair effective June 30, 2013	June 22, 2005 - October 17, 2017	$140	$3,780
Sonny Cho	May 4, 2011 - May 3, 2017	$105	$1,312
Linda Franklin* Chair, Strategic Planning Committee	May 7, 2003 - October 4, 2017	$105	$1,680
Timothy Jackson	October 22, 2014 - October 21, 2017	$105	$735
Jeffrey Kehoe	January 29, 2014 - January 28, 2017	$105	$997
Barry Steinberg	January 28, 2015 - January 27, 2017	$105	$367
Winston Young Chair, Audit Committee	December 2, 2009 - December 1, 2016	$105	$1,522
	Total		$10,395

* A Director of the Canadian National Exhibition Association

Senior Management Team

Eriks Eglite	General Manager
Hunter Saggar	Senior Manager, Corporate Services
Mike Hazelton (from September 2015)	Senior Manager, Operations and Infrastructure
Valerie Holliday	Executive Assistant to the General Manager

Acknowledgements

Ontario Place Corporation wishes to acknowledge and express its appreciation to the following organizations for their cooperation and assistance in 2015:

- Canadian National Exhibition Association
- City of Toronto
- Exhibition Place
- Toronto Port Authority
- Toronto Police Services

Major Revenue Generating Third-Party Agreements

Live Nation Canada Inc.

Ontario Place Corporation (OPC) has a long-term lease agreement with Live Nation Canada Inc. for the management and operation of the Molson Canadian Amphitheatre. The Molson Canadian Amphitheatre has a capacity of over 16,000 guests. The Molson Canadian Amphitheatre is a summer concert venue that presents domestic and international entertainment.

OPC continues to work with Live Nation under the terms of the long-term lease and consider opportunities to achieve revitalization of the site.

Atlantis Pavilions Inc.

Ontario Place Corporation has a long-term lease agreement with Atlantis Pavilions Inc. for the management and operation of a year-round event and banquet centre in PODs 1 and 2. Atlantis Pavilions' corporate head offices are also located here. The Atlantis Pavilions Inc. facility has a capacity of 1,900 guests and hosts a variety of corporate events and private functions.

Description of Activities

In addition to managing lease agreements and operations with Live Nation and Atlantis Pavilions Inc., Ontario Place Corporation manages the following activities:

Urban Park and William G. Davis Trail

In the fall of 2014, construction began on the Urban Park and William G. Davis Trail on the East Island. The project continues to be managed by Infrastructure Ontario. Design for the urban park and waterfront trail was chosen based on public consultation.

Site Rentals

In 2015, the Corporation continued to facilitate third party usage of the site. Site rentals ranged from small and large scale single-day and multi-day events including "Mud Hero Urban Obstacle Race", "Toronto Oktoberfest", MotorSoul Riding School, Red Bull "Race the Place", marathons, as well as fashion, television, and promotional film shoots.

Parking Lots

Ontario Place operates four parking lots with a capacity of over 1,300 parking spaces. The parking lots cover approximately 350,000 square feet of outdoor space easily accessible from Lake Shore Boulevard West, major highways, public transit (TTC and GO Transit at Exhibition Station) and the Martin Goodman Trail. The lots generate revenue from individual pay parking for concerts and other events in the area, as well as whole or half lot rentals for a range of corporate, commercial and charity events.

With the construction of the Urban Park and William G. Davis Trail revenue generating parking lot space was reduced by 339 spaces.

Ontario Place Marina

The Ontario Place Marina has long been a popular mooring facility for boaters due to its proximity to downtown Toronto. Ontario Place Marina has 240 slip capacity available for daily, monthly and seasonal rental. The Ontario Place Marina opens on the first Saturday in May and operates through to mid-October. Despite the challenges of aging infrastructure and limited amenities, customer satisfaction and year over year client retention remained high.

Analysis of 2015 Operational Performance

Human Resources

- The Corporation's Full-time Equivalent (FTE) cap is 21 FTEs which is supplemented with additional FTEs in the shoulder season (pre May and post August).
- The Corporation continues to employ approximately 40 summer students.

Health and Safety

- The Corporation continues to monitor operations and control site traffic; protect property and corporate assets; and, maintain public safety.
- OPC continues to focus its capital spending on health and safety projects, for example: repairs to Bridge six and enhancements to site lighting.
- The Fire and Life Safety Plan and the Crisis Management Plan have been updated and are current.
- In late 2015, the original security service provider was purchased by another company. OPC continues to work closely with the new provider to implement updated security protocols required for increased site usage and activity.
- Enhancements to the site wide hazard awareness program including the identification and monitoring of designated substances.

Corporate Activities

- The Corporation's appeal of the Property Tax assessment base dating back to 2009 has been resolved in OPC's favour and a refund is expected in 2016.
- The Corporate Services unit led OPC's involvement in the 2015 Pan/Parapan Am Games. The West Channel immediately adjacent to Ontario Place hosted several sports including Triathlon, open water swimming, Wakeboard, Waterski and walk/run/bike road races. Overall, the Games, including Ontario Place's involvement, were deemed a success.
- In Fall 2015, Ontario Place initiated the use of an external third-party to auction assets that had been declared surplus by the Board, via an online auction site.

Operational Activities

- The 155 acres of land and water lots, buildings, green space, roads and infrastructure are managed and maintained by a full-time work force of 9 staff, supplemented by summer season students. Operations staff also support the year-round event operations.
- West Entrance cosmetic improvements for the Pan/Parapan Am games, included painting, replacement of light bollards and pavement patching.
- Increased on-site parking capacity for Marina patrons.
- The introduction of a Parking and Traffic team, staffed by students, to enhance service levels in the parking areas during summer events.

Ontario Place Marina

- Opened a tuck shop at the fuel dock to offer snacks and other supplies to seasonal and daily boaters.
- Increased moorage from 135 seasonal boats in 2014 to 190 in 2015.
- Improved security and surveillance by adding cameras in previously unmonitored spaces.
- For the first time OPC did not offer winter storage in the Marina. This did not impact summer Marina usage, but it did result in a decrease in overall Marina revenue.

Business Development

- The number of total site rentals, including Echo Beach events, increased from 65 in 2014 to 69 in 2015.
- The number of third party events on site decreased from 22 in 2014 to 16 in 2015, however, the number of events in 2015 with more than 1,000 people increased by 43% over 2014.
- Site rentals included artistic, educational, sporting, commercial, community and charity events.
- MTCS Ontario Place Revitalization Branch consulted Ontario Place to initiate programming and planning for Urban Park and William G. Davis Trail operation takeover.

The 2015 Pan/Parapan Am Games

The West Channel immediately adjacent to Ontario Place was the southern-most venue within the cluster of five competition venues that comprised CIBC Pan Am Park. The West Channel and portions of the Lakeshore parking facility were used as a TO2015 venue.

Since 2012, OPC worked with various TO2015 divisions and local partners to ensure that "Ontario Place West" was ready for the Games. The Channel, the adjacent roads and Ontario Place parking lots hosted various sports including: open water swimming, triathlon, wakeboard/waterski, and walk/run/bike road races.

Overall, the Games were a success and Ontario Place's involvement played a part in that success by being actively involved in the planning and in ensuring that all on-site sports were hosted without incident. The Pan Parapan Am Games were the largest, international multi-sport event ever held in Canada. Over one million tickets were sold to events in 15 communities across the region.

Analysis of 2015 Financial Performance

During the transition to revitalization the following businesses continue to operate:

1. The Molson Canadian Amphitheatre
2. Atlantis Pavilions
3. Ontario Place Marina
4. Parking lot operations, with parking lot and site rentals, including Echo Beach and the Flats.

The overall 2015 financial performance has been summarized from the Audited Financial Statements in the table below.

2015 Financial Performance Summary

	2015 Actuals (000s)	2014 Actuals (000s)
Revenues	$6,176	$5,795
Expenses	($6,263)	($6,357)
Province of Ontario operating funding	$1,625	$1,500
One time settlement expense	(6,500)	
Province of Ontario restricted funding	6,000	
Net	**$1,038**	**$938**

The total 2015 revenues ($6,176,000) represent a 7% increase over 2014 ($5,795,000) for the Corporation. The expenses decreased by 1% year over year from 2014 to 2015. The expenses included administrative and operating expenses, severance, amortization of capital assets under lease, and recovery from sale of previously write-off assets. The expenses excluded "one time settlement expense".

The table above represents an analysis of all revenues attributable to 2015 business units as reported in the 2015 and 2014 Audited Financial Statements. (Note: these reports differ in presentation format).

Analysis of 2015 Key Revenue Streams and Performance

	2015		2014	
	Gross Revenue ($000)	Performance	Gross Revenue ($000)	Performance
Molson Canadian Amphitheatre	$2,614	401,467 guests	$2,387	405,316 guests
Atlantis Pavilions	$392	49,402 guests	$353	38,141 guests
Marina & Retail Sale	$719	5,853 linear feet moorage	$686	5,712 linear feet moorage
Parking	$1,247	-	$1,233	-
Site Rentals (including Echo Beach)	$894	69 Rentals	$788	65 Rentals
Other Revenue (cell towers/signs)	$310	-	$348	-
TOTAL	$6,176		$5,795	

During 2015, all revenues from the Molson Canadian Amphitheatre, Atlantis Pavilions, Marina & Retail Sale, Parking and Site rental, increased over 2014 revenues.

Discussion of Performance Targets

The following operational priorities were approved by the Board and Minister as part of the 2015 Business Plan and, in each case, the performance is indicated.

Priority 1:	**The Corporation is to continue to align its activities with the Ministry's mandate to maximize the economic and social contributions of the culture and tourism agencies and attractions to the province.**
2015 Performance:	Facility rental financial performance, including the parking lot rentals, increased from a total of $2,021,000 in 2014 to a total of $2,141,000 in 2015, or an approximate increase of 5.9%. In 2015, Live Nation (Molson Canada Amphitheatre, The Flats and Echo Beach) events increased in number by 5% over 2014. From 2014 to 2015, operating revenue increased by approximately 6.6% and operating expenses increased 0.8%. Third party site rentals included artistic, educational, sporting, commercial, community and charity events.

Priority 2:	**The Corporation is continuing to work with the Ministry on the long-term revitalization of Ontario Place and to provide further information on:** **1. Detailed operational planning, including detailed financial forecasting, capital planning and risk management, and** **2. Implementation and programming goals for the Urban Park & Waterfront Trail.**
2015 Performance:	Staff are working with the Ministry on transition of Urban Park and William G. Davis Trail management.

Priority 3:	**To maintain operations and the property of Ontario Place during revitalization.**
2015 Performance:	In 2015, the Operations and Infrastructure Branch was engaged in numerous activities vital to the safe and active operation of the site. This included waste pickup and removal, landscape maintenance, and preventative maintenance and inspection of the property's physical infrastructure. Additionally, a number of works were completed to beautify the property as it was host to some activity during the 2015 Pan/Parapan Am games. The Marina operated as scheduled from May to October hosting hundreds of private vessels. The Traffic Services team ensured that visitor ingress and egress to the various Live Nation and, that other events were managed safely and efficiently.

Priority 4:	**Maximize revenue generation through existing core business operations.**
2015 Performance:	In 2015, the Corporation increased its core business (Live Nation, Atlantis, Marina, Parking Lots and Site Rentals) operating revenue by approximately 6.6% or $380,000 while administrative and operating expenses increased by approximately 0.8% or $ 52,000 over 2014.

Priority 5:	**In 2015, the Corporation continue to manage OPC's business relationship with Live Nation and Atlantis Pavilions Inc.**
2015 Performance:	In 2015, the Corporation's key partners, Live Nation and Atlantis Pavilions Inc. recorded an increase in activity over 2014. In 2015, Live Nation (The Molson Canadian Amphitheatre, The Flats and Echo Beach) hosted 60 events, an increase of 5 % over 2014 (57 events). Atlantis Pavilions recorded an increase of 11,261 patrons to their hosted events or approximately 26% better than 2014. In 2015, 613,119 guests/visitors attended events/concerts in the parking lots, Molson Canadian Amphitheatre and the rest of Ontario Place, not including patrons of TO2015. These numbers are consistent with 2014 attendance numbers.

Priority 6:	**In 2015, the Corporation will host aspects of the 2015 Pan/Parapan Am Games on portions of Ontario Place as a part of Pan Am Park.**
2015 Performance:	In 2015, the West Channel immediately adjacent to Ontario Place was used as a TO2015 venue. OPC worked with various TO2015 divisions and local partners to ensure that "Ontario Place West" was ready for the Games. The West Channel and portions of the Lakeshore parking facility hosted sports including open water swimming, triathlon, wakeboard/ waterski, and various walk/run/bike road races.

Revitalization of Ontario Place: Key Milestones

February 1, 2012

The province announces the closure of the waterpark, amusement rides and the Cinesphere to allow for the revitalization of Ontario Place. A panel of community and business leaders chaired by John Tory was established to advise the Minister of Tourism, Culture and Sport on a new vision for Ontario Place. The Molson Canadian Amphitheatre, Atlantis Pavilions, Ontario Place Marina and parking lots will remain open until construction begins.

June 5, 2012

John Tory and the Minister's Advisory Panel host an in-person and virtual town hall to gather ideas from Ontarians on what people would like to see at a new Ontario Place.

July 26, 2012

The panel submits to government its report on Ontario Place Revitalization, recommending the site be transformed into a year-round, multi-use waterfront community and urban park for all Ontarians to enjoy.

September 1, 2012

The province begins to research the site to understand what needs to be done to prepare Ontario Place for future development.

December 1, 2012

Ontarians share their ideas about the new vision for Ontario Place with the province.

June 26, 2013

The province announces the first step to revitalization: a new urban park and waterfront trail on the East Island of the site, providing residents and visitors' access to part of the waterfront that has been closed to the public for more than 40 years.

November 12, 2013

The province announces the selection of the team, LANDinc and West 8, to design the urban park and waterfront trail — chosen for their extensive local and international experience in planning and designing large waterfront park projects.

December 2013 to March 2014

The province launches public meetings and online consultations encouraging Ontarians to help shape the vision for the urban park and waterfront trail at key stages in the design process. Ontarians are also invited to provide feedback on the Environmental Assessment.

March 19, 2014

The developed design for the urban park and waterfront trail is presented at a public meeting. Key features of the urban park and waterfront trail include: an upper and lower park, a ravine gateway honouring First Nations' heritage, a romantic garden, a rocky bluff for play, and a gentle summit to take in the views of Lake Ontario.

July 31, 2014

The province announces its long-term vision for Ontario Place with a proposed mix of features, including: a collection of green spaces, a blue park for water activities, flexible spaces for festivals, live-music year round, a culture, discovery and innovation hub, a canal district with shops and restaurants, conservation of the Cinesphere and pods, and a pedestrian land bridge to Exhibition Place.

Fall 2014

Phase 1 construction began on the Urban Park and William G. Davis Trail. The project continues to be managed by Infrastructure Ontario. The design for the urban park and waterfront trail was chosen based on public consultation. MTCS Ontario Place Revitalization Branch consulted Ontario Place to initiate programming and planning for the urban park and waterfront trail.

June 24, 2015

Ontario dedicated the waterfront trail on the East Island to former Premier William G. Davis.

May 18, 2016

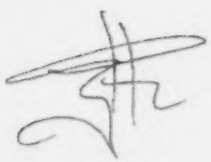
Management's Responsibility for Financial Reporting

The management of Ontario Place Corporation is responsible for the integrity and fair presentation of the financial statements accompanying this report. The financial statements have been prepared in accordance with Canadian public sector accounting standards and of necessity include some amounts that are based on estimates and judgements.

Ontario Place maintains systems of internal accounting controls designed to provide reasonable assurance that the financial information is accurate and reliable, the company assets and liabilities are adequately accounted for and assets are safeguarded. The systems include policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

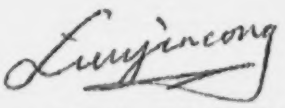
The financial statements have been reviewed by Ontario Place's Audit Committee and have been approved by its Board of Directors. In addition, the financial statements have been audited by the Office of the Auditor General of Ontario, whose responsibility it is to express an opinion on whether they have been prepared in accordance with Canadian public sector accounting standards. The Independent Auditor's Report that appears as part of the financial statements outlines the scope of the Auditors examination and opinion.

On behalf of management:



Eriks Eglite
General Manager

Hunter Saggar
Senior Manager, Corporate Services



Tsong Liu, CPA, CGA, MBA
Financial Controller

Office of the Auditor General of Ontario
Bureau du vérificateur général de l'Ontario

Independent Auditor's Report

To Ontario Place Corporation
and to the Minister of Tourism, Culture and Sport

I have audited the accompanying financial statements of the Ontario Place Corporation, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Ontario Place Corporation as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Toronto, Ontario
May 18, 2016

Susan Klein, CPA, CA, LPA
Assistant Auditor General

Ontario Place Corporation

Financial Statements

For the Year Ended December 31, 2015

Ontario Place Corporation

Statement of Financial Position
As at December 31, 2015

	2015 ($000)	2014 ($000)
ASSETS		
Current		
Cash – unrestricted	7,611	7,423
Cash – restricted [Note 3]	1,654	1,453
Accounts receivable [Note 4]	2,257	1,215
Inventory	18	13
Prepaid expenses and deferred charges	45	38
	11,585	10,142
Non-current Assets		
Capital assets [Note 5]	108,821	109,262
Capital assets under lease obligation	-	125
Remediation funding receivable [Note 7]	50,000	50,000
	158,823	159,387
	170,406	169,529
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities [Note 6]	2,568	1,834
Accrued employee termination benefits [Note 10(B)]	56	69
Obligations under capital lease	-	73
Due to the Province of Ontario	135	62
Deferred revenue	78	114
	2,837	2,152
Long Term Liabilities		
Accrued employee severance liability [Note 10(B)]	138	149
Liability for contaminated site [Note 7]	50,000	50,000
	50,138	50,149
Deferred remediation funding	50,000	50,000
Deferred capital contributions [Note 8]	7,048	7,584
Unspent deferred capital contributions [Notes 3 & 8]	1,154	1,453
	58,202	59,037
Net Assets		
Invested in capital assets [Note 9]	101,682	101,682
Unrestricted	(42,453)	(43,491)
	59,229	58,191
	170,406	169,529

See accompanying schedules and notes to financial statements.

Approved on behalf of the Corporation:

Director

Director

Ontario Place Corporation

Statement of Operations
For the Year Ended December 31, 2015

	2015 ($ 000)	2014 ($ 000)
Operating revenue [Schedule 1]	6,176	5,795
Administrative and operating expenses [Schedule 2]	6,375	6,323
Operating deficit before the cost of partial closure	(199)	(528)
Cost of partial closure [Note 13]	(6,357)	(3)
Operating deficit before the following:	(6,556)	(531)
Province of Ontario operating grants	1,625	1,500
Province of Ontario restricted grants [Note 13]	6,000	-
Amortization of deferred capital contributions	835	811
Amortization of capital assets	(835)	(811)
Amortization of capital assets under lease	(31)	(31)
	7,594	1,469
Excess of revenue over expenses	1,038	938

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Changes in Net Assets
For the Year Ended December 31, 2015

	2015 ($ 000)			2014 ($ 000)
	Invested in Capital Assets	Unrestricted	Total	Total
Net assets, beginning of year	101,682	(43,491)	58,191	107,253
Liability for Contaminated Site [Note 7]	-	-	-	(50,000)
Net assets, beginning of year, adjusted	101,682	(43,491)	58,191	57,253
Excess of revenues over expenses	-	1,038	1,038	938
Net assets, end of year	101,682	(42,453)	59,229	58,191

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Statement of Cash Flows
For the Year Ended December 31, 2015

	2015 ($ 000)	2014 ($ 000)
Operating Activities		
Excess of revenues over expenses	1,038	938
Adjustments for items not requiring an outlay of cash		
Amortization of capital assets	835	811
Amortization of leased capital asset	31	31
Amortization of deferred capital contributions	(835)	(811)
Net change in non-cash working capital	(296)	1,453
Long-term portion of accrued employee severance liability	(11)	(24)
Cash used in operating activities	762	2,398
Capital Activities		
Capital asset acquisitions	(300)	(197)
Cash used in investing activities	(300)	(197)
Financing Activities		
Obligation under capital lease principal paid	(73)	(57)
Cash used in financing activities	(73)	(57)
Increase in cash during the year	389	2,144
Cash, beginning of year	8,876	6,732
Cash, end of year	9,265	8,876
Cash - unrestricted	7,611	7,423
Cash - restricted	1,654	1,453
	9,265	8,876

See accompanying schedules and notes to financial statements.

Ontario Place Corporation

Schedules of Operating Revenue and Administrative and Operating Expenses
For the Year Ended December 31, 2015

	2015 ($ 000)	2014 ($ 000)
Schedule 1		
Operating Revenue		
Amphitheatre	2,614	2,387
Parking	1,247	1,233
Concessions and facility rental	1,286	1,141
Marina	518	513
Other revenue	245	279
Retail sales	201	173
Interest income	65	69
	6,176	5,795
Schedule 2		
Administrative and Operating Expenses		
Salaries and wages	1,459	1,976
Employee benefits [Note 10]	274	346
Administration and property tax	1,771	2,008
Utilities	1,243	980
Site maintenance	1,045	489
Cost of retail sales	169	168
Janitorial	126	122
Transportation and communications	56	84
Supplies	229	120
Other	3	30
	6,375	6,323

See accompanying schedules and notes to financial statements.

1. Nature of Operations

The Ontario Place Corporation, (the "Corporation" or "Ontario Place") is a provincial Crown agency, incorporated under the Ontario Place Corporation Act R.S.O. 1990. The Corporation is exempted from federal and provincial income taxes.

Up until February 1, 2012, the Corporation operated as a provincial exhibit and recreational centre built on a 155-acre site extending through three islands created using landfill along the Toronto waterfront. The site was intended to provide visitors with an appreciation of the Province's resources and accomplishments.

On February 1, 2012 the Minister of Tourism, Culture and Sport announced the partial closure and revitalization of Ontario Place. It was announced that the following operations would remain open while revitalization plans were developed: Ontario Place Marina, Molson Canadian Amphitheatre, Atlantis Pavilion and the parking lots. All other operations, including the Cinesphere, Waterpark, amusement rides and games and concession stands were closed.

In addition to the various services operated by Ontario Place, the Corporation enters into a number of licence, ground lease and special event agreements with various private-sector companies. The fees charged for these event agreements are subject to approval by the Ministry of Tourism, Culture and Sport, through the fee schedule presented in the annual Ontario Place Business Plan.

The Corporation receives grants from the Province to partially cover the costs of ongoing operations.

2. Significant Accounting Policies

(A) BASIS OF ACCOUNTING

The financial statements are prepared by management in accordance with Canadian Public Sector Accounting Standards including the standards for government not-for-profit organizations.

(B) REVENUE RECOGNITION

Grants are recognized on an accrual basis.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related capital asset.

Provincial grants received to remediate contamination on the site are deferred and recognized in revenue when the related remediation costs are incurred.

Revenue from parking, rentals, concessions and marina dockage are recognized when the goods or services are provided.

Revenue from amphitheatre represents rental revenue for the ground lease as determined by contractual agreement.

Revenue is calculated on an escalating scale based on the level of gross revenue achieved at the amphitheatre in excess of a base rent amount.

(C) INVENTORY

Supplies inventory is valued at cost.

2. Significant Accounting Policies (Continued)

(D) CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets as indicated below:

Buildings	25 years
Attractions	10 years
Equipment, fixtures	10 years
Computer equipment	4 years
Equipment – capital lease	10 years

(E) MEASUREMENT UNCERTAINTY

The preparation of financial statements in accordance with Canadian public sector accounting standards requires that management make estimates and assumptions that affect the reported amount of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Items requiring significant estimates include liabilities for contaminated site, and the related accounts receivable and deferred revenue to fund this liability. Actual amounts could differ from these estimates.

(F) FINANCIAL INSTRUMENTS

Ontario Place follows the Canadian public sector accounting standards pertaining to financial instruments. The Corporation's financial assets and liabilities are accounted for as follows:

- Cash and Restricted cash are subject to an insignificant risk of change in value so carrying value approximates fair value.
- Accounts receivable are recorded at cost less any amount for valuation allowance. Valuation allowances are made to reflect accounts receivable at the lower of cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowances are recognized in the Statement of Operations.
- Accounts payable and accrued liabilities, Due to the Province and Deferred revenue are recorded at cost.

Ontario Place does not use derivative financial instruments.

3. Cash – Restricted

The following grants from the Province of Ontario are held by Ontario Place as externally restricted cash:

	2015 ($000)	2014 ($000)
Unspent deferred capital contribution (Note 8)	1,154	1,453
Compensation for early license agreement termination (Note 13)	500	-
	1,654	1,453

4. Accounts Receivable

	2015 ($000)	2014 ($000)
Province of Ontario – restricted grants	1,125	-
Province of Ontario – operating grants	625	500
Trade	450	697
Other	57	31
	2,257	1,228
Less: allowance for doubtful accounts	-	(13)
	2,257	1,215

5. Capital Assets

	2015			2014
	Cost ($ 000)	Accumulated Amortization ($ 000)	Net Book Value ($ 000)	Net Book Value ($ 000)
Land, waterlots	101,660	-	101,660	101,660
Buildings	7,345	2,417	4,928	5,122
Attractions	2,176	1,408	768	793
Equipment, fixtures	3,437	2,037	1,400	1,579
Computer equipment	168	103	65	108
	114,786	5,965	108,821	109,262

During 2015, the Capital asset under lease obligation expired and the Corporation exercised its option to buy the equipment. The cost of this equipment is included in Equipment, fixtures.

6. Accounts Payable and Accrued Liabilities

Accounts payable relate largely to normal business transactions with third-party vendors and are subject to standard commercial terms. Accrued liabilities relates to the compensation for early termination of a license agreement.

7. Liability for Contaminated Site and Deferred Remediation Funding

Effective January 1, 2014 the Corporation early adopted the new PS3260 Liability for Contaminated Sites standard. The standard requires the recognition of a liability for the remediation of contaminated sites in the financial statements when the recognition criteria outlined in the standard are met.

The Ontario Place site was constructed by lake filling in the 1970s, utilizing urban excess soil that was generated during other development projects in the City of Toronto at that time. At the time of the original park construction, environmental standards for soil and water had not been developed and therefore the use of urban fill material was an acceptable practice. While independent environmental investigations indicate contaminants are present at levels higher than the current allowable standard, the report suggests that visitors at Ontario Place are unlikely to directly contact contaminated soil. The liability estimate is an accounting provision based on the planned redevelopment of Ontario Place for future uses.

7. Liability for Contaminated Site and Deferred Remediation Funding (continued)

The liability is management's best estimate based on environmental investigations performed by independent experts and reflects the costs required to remediate the site. The Province has committed to provide the Corporation with funding to remediate the contamination. As of the end of 2015, the remediation of contaminated lands has not yet commenced.

8. Deferred Capital Contributions and Unspent Deferred Capital Contributions

Purchased assets have been capitalized and the corresponding capital contributions have been deferred together with unspent capital contributions. Spent capital contributions are amortized into income on the same basis that the underlying assets are amortized. The changes in the total deferred capital contributions balance are as follows:

	2015 ($ 000)	2014 ($ 000
Balance, beginning of year	9,037	9,848
Amount amortized to revenue	(835)	(811)
Balance, end of year	8,202	9,037

	2015 ($ 000)	2014 ($ 000)
Deferred Capital Contributions	7,048	7,584
Unspent Deferred Capital Contributions	1,154	1,453
Balance, end of year	8,202	9,037

Unspent deferred capital contributions are held as restricted cash as described in Note 3.

9. Invested in Capital Assets

The invested in capital asset balance represents the net amount of the Corporation's investment in capital assets less the amounts financed by deferred capital contributions at year end.

10. Employee Benefits

(A) PENSION BENEFITS

The Corporation provides pension benefits for all its permanent employees (and to non-permanent employees who elect to participate) through the Public Service Pension Fund (PSPF) and the Ontario Public Service Employees' Union Pension Fund (OPSEU Pension Fund) which are both multiemployer plans established by the Province of Ontario. The Province of Ontario, which is the sole sponsor of the PSPF and a joint sponsor of the OPSEU-PF, determines the Corporation's annual payments to the funds. Accordingly, the pension expense is the Corporation's share of the required contribution to the PSPF and OPSEU pension funds for the year, which was $82,837 (2014 – $98,450), and is included in employee benefits in the Schedule of Administrative and Operating Expenses.

10. Employee Benefits (continued

(B) NON-PENSION BENEFITS

The cost of unused vacation and earned legislated severance entitlements for current employees are accrued for in the financial statements under the long-term accrued employee severance liability. Amounts due to current employees payable within one year are included in accounts payable and accrued liabilities.

Severance and other amounts due to terminated employees are included in accrued employee termination benefits.

The cost of other post-employment non-pension employee benefits are paid by the Treasury Board Secretariat and are not included in the statement of operations.

11. Property Tax Appeal

The Corporation filed an appeal with the City of Toronto regarding the property valuation assessment by the Municipal Property Assessment Corporation for the tax years 2009-2014. A settlement was reached in March 2016 and management expects a refund of approximately $2.6 million. The refund will be recorded as a recovery of prior year's property taxes in the year it is received.

12. Financial Instruments

(A) LIQUIDITY RISK:

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(B) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Corporation is exposed to credit risk arising from its trade accounts receivable. Due to the nature of these receivables, the Corporation recognizes its receivables net of an impairment based on historical trends.

It is management's opinion that the Corporation is not exposed to significant interest rate, currency, liquidity or credit risk arising from its other financial instruments due to their nature.

13. Ontario Place Revitalization

In July 2014, the Province announced its long-term vision to revitalize Ontario Place. The revitalization of Ontario Place has begun with the construction of a new urban park and waterfront trail on Ontario Place's East Island, expected to open in 2016. The next stage of work at Ontario Place is land-use planning process.

As a consequence of the park revitalization plans, the Corporation has recognized the following costs/ recoveries in 2015.

	2015 ($ 000)	2014 ($ 000)
Compensation for early license agreement termination	6,500	-
Gain on sale of assets	(146)	-
Severance	3	3
	6,357	3

During 2015, the Ministry agreed to fund $6,000,000 towards the Corporation's total cost of $6,500,000 to terminate a license agreement.